

SERVICES AGREEMENT

I.

This Agreement sets forth the proposed terms and, if accepted by **Texas A&M University, Brazos County, the City of Bryan and the City of College Station, entities organized under the laws of the State of Texas** (hereinafter referred to collectively as "Client") as provided below, will constitute our Agreement regarding the objectives and terms of the Client's engagement of **Dean International, Inc., a Texas Corporation** (hereinafter referred to as "Firm"), an independent consultant to perform the following services, and Client's obligation to pay Firm for said services rendered and expenses incurred on Client's behalf:

- 1) Create a proactive public policy strategy designed to establish a route and alignment generally known as the "Brazos Express" Corridor for high-speed rail in Texas connecting Houston and Harris County to the rest of the state's major population centers on a northwest alignment to Killeen through the Brazos Valley and a southeast alignment to Beaumont-Port Arthur and to actively assist in creating the "Brazos Express Corridor Coalition" along said alignment.

Said Brazos Express Corridor to connect to another high-speed rail alignment designated as the South Central High Speed Rail Corridor and generally following IH-35 from San Antonio to the south, north to the Dallas-Fort Worth Metroplex and intersecting said IH-35 near the City of Temple, Texas.

Assist in placing the Client at the forefront of high-speed rail public policy development in the Brazos Valley Region, along the "Brazos Express" Corridor alignment, throughout the State of Texas and the nation.

- 2) Immediately develop and implement an appropriately aggressive coordinated strategy to influence the "Trans Texas Corridor Program" (TTCP) under active development by the Governor and the Texas Department of Transportation (TxDOT) in a manner that recognizes and establishes the above referenced "Brazos Express" Corridor alignment for high-speed rail.
- 3) Immediately develop and implement an appropriately aggressive coordinated strategy to influence the TxDOT's application for a demonstration project and planning grant for a high-speed rail corridor in Texas in a manner that recognizes and establishes the above referenced "Brazos Express" Corridor alignment for high-speed rail.

- 4) Immediately develop and implement an appropriately aggressive coordinated strategy to influence the United States Senate and the House of Representatives to cause S.1991, known as the National Defense Rail Act of 2002, and its companion House Bill 2950 to be amended to accept and identify the "Brazos Express" Corridor alignment for high-speed rail as an essential and strategic part of the National Defense Rail Act of 2002.
- 5) Create a proactive public policy strategy designed to cause the "Brazos Express" high-speed rail corridor in Texas to be identified and included in the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) which is scheduled to be reauthorized by the congress in 2003.
- 6) Continue the data assemblage and development of presentation materials necessary to make the case for the "Brazos Express" Corridor alignment, for the creation of the Brazos Express Corridor Coalition and for the expansion of said Coalition to include those public and private sector interests along IH-35 as identified above.
- 7) Assist in the development and strengthening of positive working relationships with officials and decision makers at all levels of Government. Routinely deal with Texas House and Senate, Texas Governors Office, Texas Transportation Commission (TTC), U.S. Congress and Senate, Federal Highway Administration (FHWA), Federal Railroad Administration (FRA), Environmental Protection Agency (EPA), Metropolitan Planning Organizations (MPOs), Council of Governments (COGs) and related transportation agencies and entities that affect the Client's high-speed rail transportation agenda.
- 8) Any other services mutually agreed upon by Client and Firm in writing subject to the limitations set out in Section II, paragraph 3 herein below.

II.

In return for such services, Client agrees to pay the Firm as follows:

For services outlined in Part I. 1)-7) above, a professional services fee in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), plus expenses incurred to carry out the services performed. Payments will be made monthly in the amount of Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) (hereinafter referred to as "Monthly Fee"). Initially, on the execution of the Agreement by Client and Firm, and subsequently on the first day of each month thereafter for four months, constituting the four consecutive monthly payments (the "Engagement Term").

At the end of the Engagement Term or Renewal Engagement Term (defined below), if any thereafter, this Fee Agreement may be renewed for an additional

period of twelve (12) consecutive months ("Renewal Engagement Term") by means of a written agreement executed by both Client and the Firm at least thirty (30) days prior to termination of the Engagement Term containing such terms, duties and obligations as may be mutually agreed upon in writing by Client and Firm at that time.

In the event of withdrawal by Client during the Engagement Term or any Renewal Engagement Term, Client shall immediately pay to the Firm the remainder of the Monthly Fees due for the balance of the Engagement Term or Renewal Engagement Term plus any actual expenses reasonably incurred to carry out the services performed for Client.

For services outlined in Part I. 8) above, which must be approved by the Client and agreed to in writing by both the Client and the Firm, a fee based on Firm's billing rates and charges for personnel of the Firm, plus expenses incurred in performing the services shall be specified in writing pursuant to Part IV. Firm shall bill Client monthly according to an agreed upon, written billing schedule for services rendered, based on Firm's hourly billing rates. Client understands that said billing rates at the time of entering into this Agreement range from \$150.00 to \$350.00 per hour for senior consultants and from \$75.00 to \$200.00 per hour for associate public policy consultants and administrative assistants. Client agrees to pay said fees and expenses promptly, and in no event later than 20 days after statement from Firm is received by Client, except items for which Client has requested additional information which will be paid within twenty days after Client has received the information requested from the Firm. Furthermore, for services outlined in Part I. 8) above, Client, after discussion and review with Firm, may make any deductions from the billing concerning services that have not been specifically requested or approved or expenses that do not detail that they are actual expenditures or unreasonable and shall not be considered a breach of this agreement.

Client and Firm agree that for purposes of Client's financial obligations to Firm under this Agreement that Texas A&M University, Brazos County, the City of Bryan and the City of College Station are each obligated to pay only one fourth of the total professional services fee and expenses herein authorized and otherwise obligated by the Client to pay.

III.

For purposes of this agreement, expenses shall mean all detailed actual expenses reasonably incurred in performing the services in Part I. 1)-7) and any additional services in Part I. 8) duly authorized as provided in Part II, travel expenses, photocopying, printing, car expenses, postage, long distance calls and telephone charges, binding costs, courier and special delivery services, word processing costs, and other actual de minimus out-of-pocket expenses reasonably incurred with such matters. The Firm agrees to provide Client with an itemized listing by subject matter for expenses incurred during each billing

period. Client may request Firm provide all back-up receipts and information to substantiate said expenditures. In no event shall the total amount of expenses in Part I. 1)-7) exceed 20% of the fee or \$30,000.00 for the four-month period without written authorization from Client.

Client and Firm agree that for purposes of Client's financial obligations to Firm under this Agreement that Texas A&M University, Brazos County, the City of Bryan and the City of College Station are each obligated to pay only one fourth of the total professional services fee and expenses herein enumerated and otherwise obligated by the Client to pay.

IV.

The Firm shall render a statement to Client on or before the tenth (10th) day of each month itemizing services performed and expenses incurred during the prior thirty (30) day period. Client agrees that payment of expenses will occur promptly, and in no event later than twenty (20) days after statement from Firm is received by Client except items for which Client has requested additional information which shall be paid within twenty (20) days after additional information has been received and any billing adjustments have been made by Firm. Client agrees to review expenses upon receipt and to communicate with Firm if additional information is necessary for its review. Firm upon Client's request shall promptly forward this information.

V.

Except where bills have not been paid because additional information has been requested or erroneous billing, Client agrees that the Firm, upon notice of non-payment and opportunity by Client to remit payment for overdue bill within ten (10) days of receipt of notice, shall be entitled to withdraw from the engagement upon failure of Client to make timely payments as required by the Services Agreement. Client shall be entitled to terminate and withdraw from this agreement for any reason upon ten (10) days written notice by Client to the Firm. In the event of withdrawal by Client, Client shall promptly pay to the Firm all outstanding fees and expenses and comply with the fees and provisions of Parts I. and II. above.

In the event of withdrawal by Firm for failure of Client to make timely payments as required in herein, Client shall promptly pay to the Firm all outstanding fees and expenses, plus any expenses incurred, less deductions made by Client authorized under this agreement (as defined in Part II. above), and comply with the terms and provisions of Parts I. and II. above.

VI.

Client recognizes that nothing in this Services Agreement and nothing in Firm's statements to Client will be construed as a promise or a guarantee concerning the outcome of Client's matter. Firm makes no such promises or guarantees but

does warrant and represent that it will use its best efforts and exercise due diligence in the pursuit of Client's services specified herein in providing the services specified herein. Firm's comments about the outcome of Client's matters represent an expression of opinion only based on its experience and expertise in the providing of such services.

VII.

Client recognizes that Firm's entitlement to payment of fees and expenses is not contingent upon the results obtained or the final disposition of the services for which Firm has been retained.

VIII.

Client recognizes that the working papers assembled and accumulated by Firm in connection with this representation belong to and remain the property of Firm. Client has access to and may obtain copies of Firm's working papers promptly as necessary for its use and nothing in this agreement shall limit the Client's right to obtain or reuse said materials by its officers, agents, or consultants.

IX.

Client and Firm may amend or modify the Services Agreement at any time so long as such amendment or modification is reduced to writing and is mutually agreed upon by Client and Firm and is approved by the respective governing bodies of the Client.

X. Assignment

During the term of this Agreement, Firm may not assign this Agreement without the consent of Client.

XI. Invalidity

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to replace the respective provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.

XII.
Written Notice

All notices required by this Agreement (i) shall be in writing, (ii) shall be addressed to the parties as set forth below unless notified in writing of a change in address. The address of the parties is as follows:

To Client:	Texas A&M University 1247 TAMU College Station, Texas 77843-1247 Attn: Charles A. Sippial, Sr. Vice President, Administration Brazos County 300 East 26th Street, Ste. 114 Bryan, Texas 77803 Attn: The Honorable Al Jones, County Judge City of Bryan P.O. Box 1000 Bryan, Texas 77805-1000 Attn: Mary Kay Moore, City Manager City of College Station P. O. Box 9960 College Station, Texas 77842 Attn: Tom Brymer, City Manager
To Firm:	Dean International, Inc. 8080 Park Lane, Suite 600 Dallas, Texas 75231 Attn: David A. Dean, President/CEO

XIII.
Entire Agreement

It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings, written or oral, between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. *This Agreement cannot be changed or terminated orally.* No verbal agreement or conversation with any officer, agent or employee of the Client, either before or after the execution of this Agreement, shall affect or modify any of the terms or obligations hereunder.

**XIV.
Texas Law**

This Agreement has been made under and shall be governed by the laws of the State of Texas.

**XV.
Place of Employment**

Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

**XVI.
Authority to Contract**

Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective governing bodies or corporations.

**XVII.
Waiver**

Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of the party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived, breached or excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to, or waiver of, a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

ACCEPTED this ____ day of ____ 2002. UPON EXECUTION THIS AGREEMENT BECOMES EFFECTIVE June 1, 2002.

TEXAS A&M UNIVERSITY

BY: _____
Charles A. Sippial, Sr.
Vice President, Administration

BRAZOS COUNTY

BY: _____
Al Jones
County Judge

CITY OF BRYAN

BY: _____
Jay Don Watson
Mayor

CITY OF COLLEGE STATION

BY: _____
Ron Silvia
Mayor

DEAN INTERNATIONAL, INC.

BY: _____
David A. Dean
President/CEO

THE STATE OF TEXAS

§

§

ACKNOWLEDGMENT

COUNTY OF BRAZOS

§

BEFORE ME, the undersigned authority, on this day personally appeared, as CHARLES A. SIPPIAL, SR., Vice President, Administration, of TEXAS A&M UNIVERSITY, a University organized under the laws of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day
of _____, 2002.

Notary Public in and for the State of Texas

THE STATE OF TEXAS

§

ACKNOWLEDGMENT

COUNTY OF BRAZOS

§

§

BEFORE ME, the undersigned authority, on this day personally appeared, as AL JONES, County Judge of the COUNTY OF BRAZOS, a Texas County organized under the laws of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day
of _____, 2002.

Notary Public in and for the State of Texas

THE STATE OF TEXAS

COUNTY OF BRAZOS

§
§
§

ACKNOWLEDGMENT

BEFORE ME, the undersigned authority, on this day personally appeared, as JAY DON WATSON, Mayor of the CITY OF BRYAN, a Texas home-rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day
of _____, 2002.

Notary Public in and for the State of Texas

THE STATE OF TEXAS

COUNTY OF BRAZOS

§
§
§

ACKNOWLEDGMENT

BEFORE ME, the undersigned authority, on this day personally appeared, as Ron Silvia, Mayor of the CITY OF COLLEGE STATION, a Texas home-rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day
of _____, 2002.

Notary Public in and for the State of Texas